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Page 1
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        IN THE UNITED STATES DISTRICT COURT
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                                                                APPEARANCES (Continued):
          SOUTHERN DISTRICT OF NEW YORK
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                                                                On behalf of Defendants David R. Goodfriend and
     AMERICAN BROADCASTING
                                                          4
                                                                Sports Fans Coalition NY, Inc.:
     COMPANIES, INC., et al.,
                                                          5
                                                                    R. DAVID HOSP, ESQ.
           Plaintiffs, :
                                                          6
                                                                    MARK PUZELLA, ESQ.
                       Case No.
                                                                    LAURA NAJEMY, ESQ.
        VS.
                                                                    LINDSAY RINDSKOPF, ESQ.
                     19-cv-7136-LLS
     DAVID R. GOODFRIEND and
                                                                    CAROLINE SIMONS, ESQ.
     SPORTS FANS COALITION NY, :
                                                         10
                                                                    Orrick, Herrington & Sutcliffe LLP
                                                         11
                                                                    51 West 52nd Street
           Defendants. :
                                                         12
                                                                    New York, New York 10019
                                                         13
                                                                    PHONE: (212) 506-3535
         VIRTUAL VIDEOTAPED DEPOSITION OF
                                                         14
                                                                    EMAIL: dhosp@orrick.com
              LEW LEONE
                                                         15
                                                                        mpuzella@orrick.com
          Monday, November 16, 2020
                                                         16
         10:01 a.m. Eastern Standard Time
                                                                        lnajemy@orrick.com
                                                         17
                                                                        lrindskopf@orrick.com
     REPORTER: Dawn A. Jaques, CSR, CLR
                                                         18
                                                                        csimons@orrick.com
                                                         19
                                                         20
                                                                VIDEOGRAPHER AND EXHIBIT TECHNICIAN:
            DIGITAL EVIDENCE GROUP
           1730 M Street, NW, Suite 812
                                                         21
                                                                    Henry Marte, Digital Evidence Group
            Washington, D.C. 20036
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              (202) 232-0646
                                           Page 2
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                                                                          I-N-D-E-X
       APPEARANCES:
 2
                                                          2
                                                                WITNESS:
                                                                                             PAGE:
 3
                                                          3
       On behalf of the Plaintiffs:
                                                                LEW LEONE
                                                          4
 4
            JOSEPH M. TERRY, ESQ.
                                                                   Examination by Mr. Hosp ...... 8, 93
                                                          5
 5
                                                                   Examination by Mr. Terry ...... 86, 100
            JANE CHONG, ESQ.
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                                                          6
            Williams & Connolly LLP
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                                                          7
            725 Twelfth Street, N.W.
                                                                         E-X-H-I-B-I-T-S
 8
            Washington, D.C. 20005
                                                          8
                                                                LEONE DEPOSITION EXHIBIT:
                                                                                                       PAGE:
 9
                                                          9
            PHONE: (202) 434-5320 (Mr. Terry)
                                                                Exhibit 1 December 17, 2019, Agreement
10
                                                         10
                 (202) 434-5295 (Ms. Chong)
                                                                      (No Bates number) ...... 55
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                                                         11
            EMAIL: jterry@wc.com
12
                                                         12
                 jchong@wc.com
13
                                                         13
14
       ALSO PRESENT:
                                                         14
15
            Elizabeth Casey, In-House Counsel, Fox
                                                         15
16
            Joe Di Scipio, In-House Counsel, Fox
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advantaged when the Towers came down, and NBC, Fox, and the other stations were scrambling to get back up to put temporaries up on Empire, but there was a -- there was a scramble.

2.0

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2.2

- Q And you talked about a number of efforts that were made after that to try to find a new location for an antenna that a number of different broadcasters could use; is that right?
 - A Yes, those efforts went on for years.
- Q And you talked about as part of that effort, one thing that people looked at was putting an antenna on Governors Island?
- A Yeah, a stand-alone antenna on Governors Island, and it was countless hours of discussion. And again, that was sort of the consensus that that would be the best place, and there was a lot of lobbying done, and it was basically shut down by, I believe it was Governor Pataki at the time.
- Q Okay. And there was also discussion at the time of potentially using translators as one alternative; is that right?

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- Fox Broadcasting, and I think you had mentioned something about their corporate relationship earlier.
- Do you know the precise corporate relationship between those two entities?
- A No, I don't. I'd have to be able to read, you know, a prospectus to figure that out, but no, I don't know.

We're part of the same company. I don't know, you know, if we're a subsidiary or wholly owned or the terminology.

- Q Okay. And you had mentioned how audience size plays a role in advertising revenue. Is that based on Nielsen ratings or something else?
 - A It's based solely on Nielsen ratings.
- Q Okay.

A Now, we do -- anything that we put out on our website, we know what the viewership levels are. And I don't know -- I honestly don't know the relationship with the over-the-top. I mean, I know they would know what the viewership is. I

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- A That was one of -- yes, that was one of the options that was talked about.
- Q Okay. And ultimately, what did Fox and other broadcasters land on as the best viable solution for broadcasting to the largest number of people with the strongest signal strength allowed?
- A Well, as it turned out, our best option at that time was go back to Empire, which we did, and wait until the World Trade Center was complete.
- Q Okay. And that is currently where your signal is?
 - A Yes.
- Q All right. And as a result of the location and the power there, are your stations able to broadcast to the largest area and with the strongest strength permitted by the FCC?
- $\label{eq:A-Yes} A \quad Yes, we're at -- we're at full power as regulated by the FCC.$
- Q Okay. You had mentioned, and I asked you a question about a couple of different Fox entities, Fox Television Stations and

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- don't know to the extent that they share that with Fox, but I typically don't see that data.
- Q Okay. And to your knowledge, do individuals who view your programming through Locast count for Nielsen ratings?
 - A They do not. That's one of the biggest issues with Locast in my mind.
 - Q You had mentioned -- you had testified a little bit about the relationship between retransmission fees and advertising revenue and, you know, what percentage of your overall revenue came from which.

Can you give us a high-level explanation of what has happened with advertising fees during this period? I think you said what was happening with retransmission, but what was happening with advertising over the last 10 years?

A Well, because of my knowledge of the market and having worked at multiple TV stations, and also we do receive audited figures that were from Ernst & Young, now they're from a different company, the ad revenue in -- I can take you back

	Page 93		Page 95
1	even further in the New York market peaked in	1	that with anyone?
2	2000, 2001, at roughly \$1.6 billion amongst all	2	A No.
3	the over-the-air TV stations. We're now down	3	Q And so do you know whether or not the
4	under a billion dollars in ad revenue, so it's	4	network considers viewers of the cable stream as
5	been death by a thousand cuts to the TV stations.	5	more valuable to them than viewers who access by
6	Some of that we've recouped some of	6	over the air?
7	that, not even close to all of it, with	7	MR. TERRY: Objection to form, and
8	retransmission, but again, the number is under a	8	I'll caution the witness not to speculate about
9	billion dollars. So it went from a billion six to	9	what others may think.
10	under a billion, and that's all in. That includes	10	BY MR. HOSP:
11	ad revenues and retransmission fees.	11	Q Do you know?
12	So it's substantially it's a	12	A Can you repeat the question?
13	substantially depressed environment in the	13	Q Sure. Do you know what type of viewer
14	New York market, and it's worse in other markets.	14	the network considers more valuable, somebody who
15	MR. TERRY: I don't have any more	15	accesses it through a cable subscription or
16	questions at this time.	16	somebody who accesses it through over the air?
17	MR. HOSP: Mr. Leone, I just have a	17	A No, I don't know how they feel.
18	few follow-ups.	18	Q You mentioned that Locast is not
19	FURTHER EXAMINATION BY COUNSEL FOR DEFENDANTS	19	measured in Nielsen. How do you know that?
20	BY MR. HOSP:	20	A I asked my head of research.
21		21	Q And what did they find out?
22	Q You mentioned that individuals at Fox, the Fox network, communicated to you their mandate	22	A And there's no over-the-top there's
	Page 94		
1		1	
2	to have the best signal possible. I'm paraphrasing, I'm not trying to put words in your	2	no measurement currently of the over-the-top audience via Nielsen.
3	mouth, but do you recall that testimony?	3	Q Well, I think what you indicated was
4	A Yes.	4	you didn't know the degree to which Nielsen shared
5		5	-
6	Q Who communicated that to you?	6	those ratings of over-the-top with Fox.
7	A It was both the CFO, the CEO, and the EVP of Sales.	7	A I don't I don't agree with I
8		8	didn't say that.
9	Q Who were those?	9	The over-the-top over-the-top
10	A My boss, Jack Abernethy, is the CEO.	10	operators, they know who's watching, and we
11	The CFO is no longer here, that was Betsy Swanson;	11	know just as we know who's watching our
12	and the EVP of Sales is Jim Burke. I'd also add	12	website, but they don't share that information as
13	the COO, Dennis Swanson.	13	far as I know. They may share it with Fox, but
	Q And in the course of either those	14	that doesn't get shared by me.
14	conversations or any other conversations, did any		And honestly, what we care about here
15	of those individuals discuss whether or not cable	15	is the overall audience, because the only thing
16	subscriber viewers are more valuable to the	16	that we can control is our ad sales. We have no
17	company than over-the-air viewers?	17	control over our retransmission or anything like
18	A No, did not have that discussion.	18	that. So I'm agnostic. I don't care how the
19	Q Have you ever had any sort of	19	person is watching, as long as they're counted,
20	discussion about that?	20	then we can monetize that.
	A No, not with anyone at Fox.	21	That's my that's job one for me is
21 22	Q Have you had any conversation like	22	to I control what I can control and get the

	Page 97		Page 99
1	greatest, you know, ad revenue that we possibly	1	THE WITNESS: I don't know. I know
2	can for the viewers that are measured. And again,	2	that they're not tracking our viewing.
3	I don't care where they come from are.	3	BY MR. HOSP:
4	Q Okay. And Nielsen has the ability to	4	Q Okay. And other than the ways in
5	track over-the-top viewership, correct?	5	which you express that you know it, is there any
6	A I don't know that. It's currently	6	other basis that you claim that knowledge?
7	not I know that it's currently not counted.	7	A Yeah, I believe Nielsen has stated
8	Q When you say that you know that it's	8	that they're not tracking to my research head
9	currently not counted, how do you know that?	9	of research.
10	A My head of research told me it's	10	Q Okay. And you believe that?
11	currently not counted, and he's got more knowledge	11	A I know that.
12	than anyone I know.	12	Q Because?
13	Q So that's all no over-the-top is	13	A It's not in our numbers.
14	counted, is that what you're trying to say?	14	Q And you're basing I just want
15	A That's what I'm saying.	15	to make other than I just want to make sure
16	Q Okay. And you know that just from	16	that other than you know, other than the
17	your head of research?	17	conversations you've had with your research
18	A That and other factors, yes.	18	assistant and your and your knowledge of the
19	Q What are the other factors?	19	business practices, of your own business
20	A Business practices.	20	practices, there isn't any other basis.
21	Q What do you mean by that?	21	MR. TERRY: Objection. I don't think
22	A We do not currently stream in pattern	22	he said research assistant. It was head of
1	Page 98 our ads that we run over the air on over-the-top.	1	Page 100 Research.
2	Q But how does that impact the question	2	THE WITNESS: It was President of
3	of whether or not Nielsen tracks over-the-top	3	Research, and I'm pretty sure Nielsen would
4	viewing?	4	Nielsen is going to want to charge us when they
5	A Because Nielsen doesn't track them, so	5	
			start measuring that.
6	they're not counted, so therefore we don't stream	6	start measuring that. BY MR. HOSP:
6 7	they're not counted, so therefore we don't stream the same ads to them.	6	
	•	6 7 8	BY MR. HOSP:
7	the same ads to them.	7	BY MR. HOSP: Q Okay. So no other other than what
7	the same ads to them. Q Okay. But do you know whether or not	7 8	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis?
7 8 9	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track?	7 8 9	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct.
7 8 9 10	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not	7 8 9	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing
7 8 9 10 11	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us.	7 8 9 10	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further.
7 8 9 10 11	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there any other basis that you believe you know that?	7 8 9 10 11	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS
7 8 9 10 11 12	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there	7 8 9 10 11 12	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS BY MR. TERRY:
7 8 9 10 11 12 13	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there any other basis that you believe you know that?	7 8 9 10 11 12 13	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS BY MR. TERRY: Q Mr. Leone, with over-the-top carriers
7 8 9 10 11 12 13 14	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there any other basis that you believe you know that? A No, I know it. If they were counting	7 8 9 10 11 12 13 14	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS BY MR. TERRY: Q Mr. Leone, with over-the-top carriers such as YouTube, are there licensing agreements or
7 8 9 10 11 12 13 14 15	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there any other basis that you believe you know that? A No, I know it. If they were counting it, we would run the same ads and get credit for them. We're currently not getting any credit for any over-the-top viewing.	7 8 9 10 11 12 13 14 15	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS BY MR. TERRY: Q Mr. Leone, with over-the-top carriers such as YouTube, are there licensing agreements or carriage agreements between Fox and those
7 8 9 10 11 12 13 14 15 16	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there any other basis that you believe you know that? A No, I know it. If they were counting it, we would run the same ads and get credit for them. We're currently not getting any credit for	7 8 9 10 11 12 13 14 15 16	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS BY MR. TERRY: Q Mr. Leone, with over-the-top carriers such as YouTube, are there licensing agreements or carriage agreements between Fox and those entities?
7 8 9 10 11 12 13 14 15 16 17	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there any other basis that you believe you know that? A No, I know it. If they were counting it, we would run the same ads and get credit for them. We're currently not getting any credit for any over-the-top viewing. Q Okay. But do you know whether or not Nielsen tracks other over-the-top viewing?	7 8 9 10 11 12 13 14 15 16 17	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS BY MR. TERRY: Q Mr. Leone, with over-the-top carriers such as YouTube, are there licensing agreements or carriage agreements between Fox and those entities? A Yes. I'm not same way I'm not
7 8 9 10 11 12 13 14 15 16 17 18	the same ads to them. Q Okay. But do you know whether or not Nielsen has the ability to track? A I don't know. They're currently not tracking it for us. Q Okay. And other than business practice and your research assistants, is there any other basis that you believe you know that? A No, I know it. If they were counting it, we would run the same ads and get credit for them. We're currently not getting any credit for any over-the-top viewing. Q Okay. But do you know whether or not	7 8 9 10 11 12 13 14 15 16 17 18	BY MR. HOSP: Q Okay. So no other other than what you've testified to so far, no other basis? A Correct. MR. HOSP: Okay, I have nothing further. FURTHER EXAMINATION BY COUNSEL FOR THE PLAINTIFFS BY MR. TERRY: Q Mr. Leone, with over-the-top carriers such as YouTube, are there licensing agreements or carriage agreements between Fox and those entities? A Yes. I'm not same way I'm not privy to the exact agreements as I am with cable,

Page 101 Page 103 1 with those carriers as well, right? tortured any further with those ads, but I'm not 2 2 A Yes, also measured by Nielsen. going to pay the five bucks to something that is 3 3 Q Okay. Now, when people view when just antithetical to my business. 4 4 Locast transmits your programming, do you have any MR. TERRY: Okay, thank you. 5 5 agreements in place with them? No more questions at this time. 6 6 A No agreements in place that I know of. MR. HOSP: We have nothing further. 7 7 Q And do you have any concerns about the THE VIDEOGRAPHER: Okay. The time is 8 manner in which Locast presents your programming? 12:43 p.m. Off the record. 9 9 A I have great concerns. So when I (Whereupon, at 12:43 p.m., the taking 10 10 found out that I would be called upon for this of the deposition was concluded. 11 11 deposition, I downloaded the Locast app to Reading and signature were reserved.) 12 12 experience it for myself, and I was horrified, 13 13 one, that it's portrayed as a free service, and I 14 14 was inundated and barraged by ads asking for 15 15 money. 16 16 And those ads are indiscriminate in 17 17 their placement, whereby they're placed over the 18 18 top of my content -- our content, our news 19 19 content, our syndicated content, our network 2.0 2.0 content, our sports -- randomly. So it's 21 21 disruptive. 2.2 It's also placed over advertisements, 2.2 Page 102 Page 104 1 1 which I have a contract with my advertisers to CERTIFICATE OF NOTARY PUBLIC I, DAWN A. JAQUES, a Notary Public in and for 2 display their ads on our signal, and the ads get the District of Columbia, before whom the foregoing 3 covered up. So it's disingenuous and immoral, I 3 deposition was taken, do hereby certify that witness 4 whose testimony appears in the foregoing pages was think, to sell our advertisers a commercial, and duly sworn by me; that the testimony of said witness 5 then have it get covered up by viewers that are was taken by me in shorthand at the time and place 6 viewing it over Locast. 5 mentioned in the caption hereof and thereafter reduced to typewriting under my supervision; that 7 So it's, in my mind, a disruption of said deposition is a true record of the testimony 8 our business arrangements with legitimate given by said witness; that I am neither counsel 9 over-the-top carriers and cable companies, and for, related to, nor employed by any of the parties to the action in which this deposition is taken; 1.0 it's immoral to the way we -- you know, the way I and, further, that I am not a relative or employee 11 want to carry out my business practices. of any attorney or counsel employed by the parties 9 12 And it's also not measured, so it's thereto, nor financially or otherwise interested in the outcome of the actions. 13 sort of a double whammy on us. It's not measured, 10 14 and it takes away from subscribers, so we can't, 11 12 15 you know, benefit from any subscriber fees we get 13 16 from people that watch our signal, and we can't 14 17 benefit from any advertisers we might --15 16 1.8 advertising fees we might get because it's not 17 Dawn A. Jaques, CSR, CLR 19 counted. 18 Notary Public in and for 20 So it's a -- to say it's a free 19 Commonwealth of Virginia 20 My commission expires: 21 service is also disingenuous, because I assume 21 August 31, 2023 22 that if you pay the five bucks, you won't be 22 Registration No. 132328

	Page 105	Page 107
1	Lew Leone, c/o	Digital Evidence Group, LLC
	Williams & Connolly LLP	
2	725 Twelfth Street, N.W.	1750 111 Bucet, 1777, Buile 012
	Washington, D.C. 20005	³ Washington, D.C. 20036
3	Washington, D.C. 20005	4 (202)232-0646
4	Case: American Broadcasting Companies, Inc., et al. v. Goodfriend, et al.	5
	Date of deposition: November 16, 2020	6 ERRATA SHEET
5	Deponent: Lew Leone	ERROTTA STIELL
6	- 	7
7	Please be advised that the transcript in the above	8 Case: American Broadcasting Companies, Inc., et al. v. Goodfriend, et al.
8	referenced matter is now complete and ready for signature.	9 Witness Name: Lew Leone
9	The deponent may come to this office to sign the transcript,	Deposition Date: November 16, 2020
10	a copy may be purchased for the witness to review and sign,	
11	or the deponent and/or counsel may waive the option of	ruge 10. Ente 10. Change
12	signing. Please advise us of the option selected.	12
13	Please forward the errata sheet and the original signed	13
14	signature page to counsel noticing the deposition, noting the	14
15	applicable time period allowed for such by the governing	15
16	Rules of Procedure. If you have any questions, please do	
17	not hesitate to call our office at (202)-232-0646.	16
18	· /	17
19		18
20	Sincerely,	19
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1	Digital Evidence Group, L.L.C.	
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2	Washington, D.C. 20036	
3	(202) 232-0646	
4	SIGNATURE PAGE	
	Case: American Broadcasting Companies, Inc., et al. v. Goodfriend, et al.	
5	Witness Name: Lew Leone	
c	Deposition Date: November 16, 2020	
7	I do hereby acknowledge that I have read	
	and examined the foregoing pages	
8	of the transcript of my deposition and that:	
9		
10	(Check appropriate box):	
11	() The same is a true, correct and	
11	complete transcription of the answers given by me to the questions therein recorded.	
12	() Except for the changes noted in the	
	attached Errata Sheet, the same is a true,	
13	correct and complete transcription of the	
	answers given by me to the questions therein	
14 15	recorded.	
16		
17	DATE WITNESS SIGNATURE	
18		
19		
20		
21	DATE	
22	DATE NOTARY	